



CITY OF NEWPORT BEACH

ECONOMIC DEVELOPMENT COMMITTEE

AGENDA

MEETING DATE:

Wednesday, November 22, 2006

TIME:

8:00-9:00 A.M. *Please arrive 5 min. prior*

PLACE:

City of Newport Beach Council

Chambers

Roll Call and Introductions

CONSENT CALENDAR

(All matters listed under CONSENT CALENDAR are considered to be routine and will all be approved by one motion in the form listed below. The EDC members have received detailed staff reports on each of the items recommending an action. There will be no separate discussion of these items prior to the time the Committee votes on the motion unless members of the Committee, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for separate action.)

1. Approval of Minutes of October 18, 2006 (*Attachment*)
2. Progress Report (*Attachment*)

ITEMS REMOVED FROM THE CONSENT CALENDAR

UPDATES AND ANNOUNCEMENTS

DISCUSSION ITEMS

1. Strategic Plan for Fiscal & Economic Sustainability – Continued Discussion (*Attached*)
2. EQAC Representative's Report

ITEMS FOR A FUTURE AGENDA

PUBLIC COMMENTS

ADJOURNMENT

**NEXT EXECUTIVE COMMITTEE MEETING: Wednesday, December 6, 2006
8:00 A.M. – NEWPORT BEACH CHAMBER OF COMMERCE**

**NEXT REGULAR MEETING: Wednesday, December 20, 2006
8:00-9:00 A.M. – CITY COUNCIL CHAMBERS**

BID ADMINISTRATION

BID Administration and Coordination	BIDs/Consultant Trimble	BID billings went out. Matching funds to BIDs processed.	Revisions to BID By-laws. Ongoing support for BID activities.	Ongoing.	
Balboa Village BID	Trimble	Construction complete on Phase III. Pump station ongoing. October meeting held 10/10.	Annual BID meeting 11/2006.	Ongoing.	
Corona del Mar BID	Berger	November meeting held 11/16.	Next BID meeting 12/28	Ongoing.	Discussion of add'l. median landscape improvements; holiday decorations.
Marine Avenue BID	Berger	November meeting held 11/16.	Next BID meeting 12/21.	Ongoing.	Planning for holiday decorations; additional advertising.
Restaurant Association BID	Trimble	Restaurant Week marketing ramping up.	Preparation continues for Restaurant Week 2007. Next BID meeting TBD.	Ongoing.	Restaurant Week in January 2007.

COMMUNITY DEVELOPMENT ADMINISTRATION

CDBG Administration	Trimble/Consultant	Draft CAPER completed. Final FY06 drawdown submitted.	Revisions to FY2007 Action Plan being processed.	Ongoing.	Monitoring of sub-recipients ongoing.
Housing Administration	Trimble/B. Nichols Consultant	Monitoring existing affordable housing units resulted in return of a number of units to affordable status.	Searching for new affordable housing sites.	Ongoing.	Staff continues to coordinate with County agencies and respond to public inquiries regarding affordable housing.

Balboa Peninsula

Balboa Village Streetscape – Phase III	Stein/Trimble	Balboa Inn expansion started 09/2004. OCSD pump station construction nearly complete. Phase III & methane capture projects complete.	Removal of utility poles as property owners complete hook ups on private property.	August 2006	
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CORONA del MAR

Corona del Mar Vision Plan	Berger	Phase 2 median improvement project discussions with PW Dept.	Laser crosswalk to be implemented this month.		Next element now to be Phase 2 median improvements. Pedestrian street lights now after that.
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MARINE AVENUE

Marine Avenue Public Improvements Plan	Berger	None	None at present time.	All planned phases complete.	Park Avenue Bridge seismic retrofit / replacement project on hold. Sidewalk replacement to be discussed.
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MARINER'S MILE

Mariner's Mile BOA	Murrel/Berger	Meeting held 11/15.	Next meeting to be held 12/13.	Ongoing.	MMBOA interested in continuation of MVPIP improvements and planning; extension of palm trees toward both bridges; relinquishment of PCH through MM; and waterfront boardwalk.
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EDC ACTIVITIES

Attraction and Retention	EDC staff	Newport Lexus Grand Opening 10/12. Sterling BMW plans being shepherded. Land Rover project underway. Lamborghini dealership plans to be submitted.		Ongoing.	Continuing discussions w/auto dealers
Strategic Planning	Subcommittee / Wood/Berger	ED Strategic Plan in final edits.	ED Strategic Plan draft under discussion by full Committee.	Ongoing, as part of GPU process.	To be sent to CC asap.
Image Enhancement & Marketing	Subcommittee / Berger	Wayfinding & Directional Signage Program approved by Council on 9/12.	Entrance signs under final location review, pending final package prep for bidding.		Installation approved as part of FY '06-'07 and '07-'08 CIP budgets.
Hotels	Subcommittee Wood/Trimble				



CITY OF NEWPORT BEACH

(DRAFT)

STRATEGIC PLAN FOR FISCAL
AND ECONOMIC SUSTAINABILITY

November, 2006

TABLE OF CONTENTS

I. INTRODUCTION

The Strategic Plan for Fiscal and Economic Sustainability is designed to serve as a work program for the City Council, City staff, the City Economic Development Committee (EDC) and other civic leaders to promote and sustain fiscal and economic vitality in Newport Beach. It is intended, in part, as a companion document for the General Plan, to assist the City in implementing portions of the General Plan that affect economic development in the City. Beyond City land use and development policy, however, the Strategic Plan for Fiscal and Economic Sustainability includes goals and objectives to enhance the business climate in the community.

The Strategic Plan for Fiscal and Economic Sustainability focuses on a shorter time frame than does the General Plan, since economic conditions and priorities can change more rapidly than do planning goals related to community character and land use patterns. The work program included here contemplates at most a five-year time horizon, and it is assumed that annual reviews of progress and re-assessments of priorities will be undertaken as a prelude to the City's annual budget process.

The Visioning Process

The City initiated a Visioning Process in January of 2002, ahead of its effort to update the General Plan, which culminated in publication of the *Community Directions for the Future* report in January 2003. The Visioning Process included a series of events, meetings and public information gathering programs and resulted in a vision statement for Newport Beach and substantial public input on a wide range of issues for consideration in the General Plan Update.

Based on public input, a vision for the future of Newport Beach was developed by the citizen General Plan Advisory Committee (GPAC), which describes the City's desired 'end state' and what the community hopes to have achieved by 2025. Under the heading, "Growth Strategy, Land Use and Development," the vision states in part, "[w]e have a conservative growth strategy that emphasizes residents' quality of life – a strategy that balances the needs of the various constituencies and that cherishes and nurtures our estuaries, harbor, beaches, open spaces and natural resources.

Development and revitalization decisions are well conceived and beneficial to both the economy and our character....”

The process also ascertained the public’s input on a range of more specific issues. There was broad community consensus on some economic issues, and more diverse opinion on others. The full detail of the vision developed by GPAC is contained in the report noted above.

II. STRATEGIC PLAN FOR FISCAL & ECONOMIC SUSTAINABILITY

VISION STATEMENT

Newport Beach shall maintain and enhance its local economy, a high quality of life, economic opportunities for its citizens and the sustained fiscal health of the City, while respecting and supporting the residential and waterfront character of the community and its natural resources and amenities.

THE ROLE OF THE CITY

An important purpose of this plan is to help focus limited City resources on activities that are most cost-effective and address squarely the City’s priorities for economic development. The private sector is the primary engine for economic progress in Newport Beach. The City is fortunate to enjoy sustained periods of relative prosperity during which little government involvement is warranted beyond providing clear land use policies and an efficient, predictable entitlement process. It is also important for the City to sustain economic and fiscal health throughout the ups and downs of the business cycle.

Typically, cities can play a role in several areas to support economic development, as follows:

1. Land Use and Development Policy

The City’s main effort recently has been to update the General Plan, and the implementation of new land use and development policies in various areas of town will have a significant impact in supporting economic development.

2. Infrastructure

Regarding infrastructure, the City has made strategic investments in public improvements, such as the streetscape work in the Balboa Village, Corona del Mar, Marine Avenue and Mariner's Mile commercial districts, but in general it has only limited resources to invest in new infrastructure. The City must instead focus on implementing policies to ensure that new development pays for new infrastructure and that the fiscal balance of the developing land use mix can sustain the City's ability to operate and maintain the existing infrastructure. To the extent the City can address infrastructure improvements, improvements in circulation and parking facilities will benefit the economic growth of the community most.

3. Incentives

The City can offer incentives to development in terms of other design standard flexibility, shared parking opportunities, in-lieu parking fees, tax-exempt financing, and sales tax sharing. These kinds of incentives can improve the market feasibility of desired kinds of improvement in the economic environment without necessarily requiring expenditures of existing public funds.

GOALS, OBJECTIVES AND ACTION PLANS

The Strategic Plan for Fiscal and Economic Sustainability for the City of Newport Beach includes eight major goals for economic development in the City:

- Goal 1: Facilitate revitalization of the City's older commercial areas;
- Goal 2: Support efforts to optimize retail sales capture;
- Goal 3: Facilitate the development of businesses that strengthen the vitality of the local economy;
- Goal 4: Facilitate an economically viable and vital Newport Harbor;
- Goal 5: Enhance the boating services of Newport Harbor;
- Goal 6: Support careful expansion of visitor-serving businesses and facilities;

- Goal 7: Seek methods to improve traffic flow and minimize the economic impact of traffic congestion;
- Goal 8: Administer the development review and permitting processes in an efficient and customer friendly manner..

The following discussion briefly outlines these goals, along with the more detailed objectives and implementation actions associated with each goal.

Goal 1: The City shall facilitate the revitalization of older commercial areas

Objective 1.1 – Improve the business mix of older commercial districts, especially regarding their resident serving usefulness, through improvement in the quality, breadth and sales tax generation of such areas, taken as a whole by [December, 2011]. Identified areas include Balboa Village and other Balboa Peninsula commercial districts, as well as Marine Avenue, Old Newport Boulevard and West Newport.

Action 1.1.a –

Action 1.1.b –

Objective 1.2 – Mixed-Use Development: The City shall adopt flexible zoning regulations to implement General Plan mixed-use development policies in the commercial districts by [December 2007].

Objective 1.3 – Parking Facilities: In cooperation with merchants and commercial property owners, the City shall establish a plan to facilitate the improvement of parking in specified areas by [December 2007]. The City may use various mechanisms to facilitate this, e.g., public/private partnerships, tax exempt financing, parking management districts and/or in-lieu fees.

Objective 1.4 – Improvement Plans: The City shall continue to support, and participate in as appropriate, efforts of Business Improvement Districts (BIDs) and other business and/or property owner groups to complete improvements and other voluntary business support activities within their areas.

Objective 1.5 – Campus Tract: With its proximity to the John Wayne Airport and the potential availability of larger sites, the City shall focus its initial planning efforts through [December 2008] on opportunities for the Campus Tract area, including expansion of auto sales and service, as well as other commercial services in support of new residential or mixed use development.

Goal 2: The City shall support business efforts to optimize retail sales capture in the community.

Objective 2.1 – Commercial Zoning: The City shall adopt flexible zoning in support of General Plan policies for commercial development by [December 2007].

Objective 2.2 – Newport Center: The City shall facilitate efforts by Fashion Island and Newport Center to evolve their design and retail mix to capture maximum retail sales.

Objective 2.3 – Airport Area: The City shall encourage and facilitate the development of attractive retail and commercial uses that maximize retail sales capture in the Airport Area, commensurate with new General Plan land use designations and policies related to mixed use and residential development.

Objective 2.4 – Auto Sales: The City shall encourage the development of auto sales facilities as a means of maximizing sales tax capture.

Objective 2.5 – Leading Indicators: The City shall improve its ability to track retail trends within Newport Beach by contracting for a more comprehensive sale tax audit service and by providing regular reports to the City Council and the EDC on sales tax performance by sub-area and business type, by [July, 2007].

Goal 3: The City shall facilitate the development, attraction and retention of a variety of businesses that strengthen the vitality of the local economy, particularly businesses that capitalize on market and demographic changes and opportunities that emerge in key economic centers of the community.

Objective 3.1 – Master Plan for the West Newport Mesa Area: By [December 2008], work with property owners to

develop a master plan for properties that are related to and support Hoag Hospital including medical, medical-supporting, commercial, residential and industrial uses.

Objective 3.2 – Flexible Zoning: By [December 2007], the City shall implement Zoning Code reform to increase the definition of non-residential uses and to create flexibility in its zoning code to allow projects representing innovative market or development opportunities to proceed with fewer restrictions.

Objective 3.3 – Business Assistance Clearinghouse: The City shall coordinate with the Newport Beach Chamber of Commerce to establish a business assistance clearinghouse and business outreach program to help facilitate new business ventures and business expansions in Newport Beach by [September, 2007].

Objective 3.4 – Leading Indicators: The City shall provide annual reports [beginning with a report for the fiscal year ending June 30, 2007] on business establishments and employment changes by detailed business types to the City Council and the EDC for the purpose of tracking business development trends in the City.

Goal 4: The City shall facilitate an economically viable concentration of marine uses, and enhance the maritime viability of Newport Harbor.

Objective 4.1 – Water-Dependent Marine Businesses: The City shall implement land use and related zoning regulations by [December 31, 2007] to allow for the preservation of existing water dependent marine business uses, and provide for expanded frontage for such uses as re-development occurs over time.

Objective 4.2 – Non-Water-Dependent Marine Businesses: The City shall implement land use and related zoning regulations by [June, 2008] to provide for the preservation of existing non-water dependent marine businesses in the West Newport Mesa area, as well as development of incentives by [July, 2008] to facilitate the relocation of such businesses to that area from economically unsustainable water front locations.

Objective 4.3 – The City shall implement a plan to provide for the dredging of lower Newport Bay to its design depth to allow safe navigation for vessels that use the harbor by [December 2007], working with the federal government, the Army Corps of Engineers and other appropriate governmental agencies.

Objective 4.4 – Regulatory Compliance: As part of its business assistance clearinghouse program, the City shall establish by [December 2007] a program for assisting water-dependent businesses with information to aid in complying with state and federal regulations pertaining to air and water quality, among others.

Objective 4.5 – The City will invite proposals for the implementation of a privately owned and operated summer water transportation service by [July 1, 2007], with funding supplemented by grants, private, contributions and public monies.

Goal 5: The City will enhance the boating services of Newport Harbor.

Objective 5.1 – The City will develop up to [100] additional guest boat slips by [June 1, 2009].

Objective 5.2 – The City will invite proposals for the implementation of a privately owned and operated summer water service by [July 1, 2007], with funding supplemented by grants, private contributions and public monies.

Objective 5.2 – Where feasible, the City will develop more capacity for tying up small boats at the Balboa Village area, Balboa Island area, Marinapark, the Rhine Channel area and the Mariner's Mile area by [June 1, 2009].

Objective 5.3 – The City will review its dingy docking regulations annually to provide docking spaces for temporary docking which best suit the needs of the boating public.

Objective 5.4– The City will develop a policy by [June, 2007] that allows visiting boaters to leave their boats unattended at anchor for some period of time. Such policy will be subject to annual review.

Goal 6: The City shall support the careful expansion of visitor-serving businesses and facilities.

Objective 6.1 – Small Scale Lodging: The City shall identify by [December 2007] an economically feasible program for encouraging the development of small scale lodging and bed and breakfast establishments in Newport Beach, including incentives to encourage such development consistent with the General Plan policies.

Objective 6.2 – Vacation Rentals: The City shall review and revise its existing policies governing vacation rentals by [December 2007] to acknowledge and enhance the economic benefit to the City of such establishments and recommend by [December, 2007] a program to maintain and enhance the quality level of them.

Objective 6.3 – Marketing and Promotion: The City shall continue its strong relationship with the Newport Beach Conference and Visitors Bureau to enhance the effectiveness of marketing and promotion undertaken by the City and the Bureau.

Objective 6.4 -- Beach / Bay Activities Promotion: The City shall promote and encourage activities and events in and near the beaches and the bay that generate retail sales, e.g., boat shows, sports tournaments, etc., consistent with the Local Coastal Plan.

Goal 7: The City will seek to minimize the economic impact of traffic congestion and will take affirmative steps to improve traffic flow.

Objective 7.1 – Develop and implement by [December, 2010] a master plan to modernize traffic control systems and technology throughout the City.

Objective 7.2 – By [June, 2007], the City will improve synchronization of traffic signals and improve traffic flow along the Mariner's Mile, Newport Boulevard from 15th Street to the 55 Freeway in Costa Mesa (working cooperatively with that City), Jamboree Road and on Balboa Peninsula along Newport Boulevard from Main Street to

Pacific Coast Highway, as well as other roadways and intersections.

Objective 7.3 – In conjunction with its approved capital plan and annual budgeting process, the City will implement key roadway and intersection improvements identified in the General Plan Update by [_____].

Objective 7.4 – The City will strongly advocate the construction of the 19th Street Bridge in Costa Mesa, and other critical regional traffic improvements.

Objective 7.5 – The City shall create a plan by [December, 2007] to encourage and foster the development of privately owned and operated alternative transportation services, such as bus shuttles, to service the various commercial, retail and recreation areas in Newport Beach, in at least partial substitution for additional parking, with funding supplemented by grants, private contributions, and public monies.

Objective 7.6 – The City shall work cooperatively with adjacent cities and jurisdictions to complete key roadway and traffic synchronization projects that will help improve the flow of traffic within the boundaries of Newport Beach.

Goal 8: The City will administer its development review and permitting processes in an efficient, solution oriented and customer friendly manner.

Objective 8.1 – The City will implement the recommendations of the Evaluation of the Development Review and Plan Checking Processes, dated August 2006, including the following:

1. Increased inter-departmental coordination
2. Use of project managers with primary responsibility for major projects
3. Full use of Permits Plus and/or other database systems
4. Established performance standards for project review
5. Adequate staffing to meet performance standards and serve the public counter

6. Availability of up-to-date public information materials on application requirements and processes
7. Standardization of plan check correction checklists to the maximum extent possible
8. Increased quality control for outside plan check services
9. Existing standards will be applied to designs to the greatest extent possible to minimize requirements for project-specific engineering.

Objective 8.2 – Staff will provide for enhanced communication with applicants, both earlier and more consistently throughout the process by [insert date].

Objective 8.3 – The City will assure that staff receives regular training on maintaining a high quality of customer service and positive attitude.

Objective 8.4 – The City will implement changes in the Zoning Ordinance and other regulatory codes to make the process more streamlined by [December, 2007].

ADDITIONAL REFERENCES

To support the Visioning Process and to provide background material for the GPAC to consider in its development of policies to be included in the General Plan update, the City contracted with the firm of Applied Development Economics, Inc. (ADE) for studies related to current economics and future fiscal impacts. ADE prepared a commercial market study published in December 2002 entitled *“Newport Beach General Plan Update Retail Commercial Market Analysis.”* and a fiscal impact analysis entitled *“Fiscal Impact Analysis and Model, Newport Beach General Plan Update.”* published in revised form in January 2004.

Please refer to the detailed reports cited above, in addition to the final General Plan Update adopted by the City Council on July 25, 2006, and ratified by the voters in November, 2006, for further background.